



INDUSTRY CIRCULAR

**DEPARTMENT OF
THE TREASURY**

**Bureau of Alcohol, Tobacco and Firearms
Washington, D.C. 20226**

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Polyethylene Terephthalate Liquor Bottles

Proprietors of Distilled Spirits Plants, Importers and
Others Concerned:

Purpose: The purpose of this circular is to inform you of a forthcoming ATF Ruling concerning the approval of polyethylene terephthalate containers for bottling distilled spirits. The ATF Ruling will read as follows:

The Bureau of Alcohol, Tobacco and Firearms has been requested to approve the use of polyethylene terephthalate (PET) as a suitable material for the manufacture of liquor bottles.

Section 5301(a) of Title 26, United States Code, provides that the Secretary may regulate the kind of containers designed or intended for use in the sale of distilled spirits. Sections 19.11, 194.11, 250.11 and 251.11 of Title 27, Code of Federal Regulations, provide for liquor bottles to be made of glass or earthenware or of other suitable material approved by the Food and Drug Administration, which has been designed or is intended for use as a container for distilled spirits for sale for beverage purposes and which has been determined by the Director to adequately protect the revenue.

The Bureau is aware of the need to recognize advancing technology which provides materials adaptable or developed for packaging distilled spirits. At the same time, the Bureau is aware of its responsibilities for protecting the Federal excise tax revenues, as prescribed by the Internal Revenue Code (Title 26, U.S.C., Chapter 51); for insuring an orderly marketplace, in accordance with the requirements of the Federal Alcohol Administration Act (Title 27, U.S.C., section 205(e)); and for protecting the environment, pursuant to the National Environmental Policy Act (Title 42, U.S.C., section 4332).

The Bureau recognizes that, in some minor instances, a proof gain of up to two degrees of proof per year (and a corresponding water volume loss) may occur. However, this effect can be minimized by avoiding high storage temperatures, by insuring that the wall thickness of PET containers is uniform, and by insuring market turnover. In any event, ATF has concluded that this characteristic of PET packaging poses no jeopardy to the revenue because the taxable commodity, the alcohol, does not travel through the package wall. The quantity of alcohol does not change between the time of bottling and the point of tax determination. Therefore, it has been determined that the use of PET for liquor bottles provides adequate protection to the excise tax revenue and is a suitable material for this use.

The consumer obtains the same amount of alcohol contained in the product at the time of bottling, since only water is lost. Since the same amount of alcohol is contained in the product with only a very minor, if any, increase in proof, the label on the product provides adequate information to the consumer regarding alcohol content.

In accordance with the requirements imposed by the National Environmental Policy Act, the Bureau prepared an assessment of the projected effect on the environment of PET liquor bottles. The conclusion reached on the pertinent issues was that neither container use nor disposal would have a significant environmental impact.

Held, polyethylene terephthalate (PET) liquor bottles conforming to the following specifications may be used as containers for distilled spirits:

- (1) The bottles must be rigid or semi-rigid with molded shape or design which cannot be altered by pressure without damage to the bottle, and the wall thickness of the bottle must be as uniform as possible;

- (2) The bottle must be manufactured in an approved standard of fill; and

(3) The material used to construct the PET bottle must meet the Food and Drug Administration's health and safety specifications for the packaging of alcoholic beverages for consumption as promulgated in the Code of Federal Regulations.

Inquiries: Inquiries concerning this circular should refer to its number and be addressed to the Assistant Director, Regulatory Enforcement, Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, NW., Washington, DC 20226. Attention: Commodity Classification Branch.

Stephen C. Higgins
Acting Director